

## Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 DODE-00 FEAE-00 FPC-01 H-02 INR-07 INT-05

L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02

SS-15 STR-04 TRSE-00 FRB-03 PA-01 PRS-01 USIA-06

XMB-02 EA-06 EUR-12 /111 W  
----- 091528

R 291025Z APR 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2864

USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: BMEP, ENRG, KU

SUBJECT: LPG TENDERING ENTERS FINAL STAGES

REF: A) KUWAIT 1749 B) KUWAIT 818 AND PREVIOUS

1. BECHTEL HAS SIGNED \$25 MILLION CONTRACT WITH GOK FOR CONSTRUCTION SUPERVISION OF ENTIRE LPG PROJECT. SUBSEQUENTLY EMBASSY UNDERSTANDS INVITATIONS TO BID ON THREE TENDER PACKAGES FOR KUWAIT GAS UTILIZATION PROJECT (LPG FACILITY) SENT TO FIVE CONTRACTORS IN EACH CATEGORY ON THURSDAY, APRIL 24. AS PREVIOUSLY REPORTED TENDER PACKAGES ROUGHLY CORRESPOND TO GATHERING, PROCESSING, AND PIPELINES.

2. NAMES OF COMPANIES SELECTED ARE NOT LIKELY TO BE PUBLICLY  
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ANNOUNCED, AND LENGTH OF TENDER PREPARATION PERIOD IS ALLEGED-

LY A SURPRISINGLY SHORT TEN WEEKS. ACCORDING TO BEST INFORMATION AVAILABLE TO US (WHICH IS NOT AUTHORITATIVE BECAUSE INFORMATION BEING UNUSUALLY TIGHTLY HELD) INDICATES FOLLOWING COMPANIES HAVE BEEN INVITED TO SUBMIT BIDS: A) PROCESSING: FLUOR, PROCON, KELLOGG INT'L, FISH ENGINEERING, AND CHIYODA (JAPANESE). SLIGHT POSSIBILITY: STONE AND WEBSTER. B) GATHERING: FLUOR, PROCON, KELLOGG INT'L, AND TWO OF THE FOLLOWING: IHI (JAPANESE), TECHNIP (FRENCH), TECHINT (ITALIAN) AND MANAGEMENT OF PROCESS SYSTEMS LTD (U.K.). WEATHERBY ENGINEERING TRYING TO GET BACK ON LIST ON WHICH THEY WERE DEFINITELY NO. 6. C) PIPE-LINES: SEDCO, SANTA FE POMEROY/CONCO (U.S.-LEBANESE), NEILL-PRICE INT'L, SAIPAN (ITALIAN), AND SUDROHRBAU. (WE ONLY SURE OF FIRST TWO).

3. ABOVE INFORMATION SHOULD BE REASONABLY CORRECT SINCE ONLY ONE COMPANY LISTED (SUDROHRBAU) WHICH WAS NOT GIVEN AS COMPANIES BELIEVED QUALIFIED TO BID IN REF B.

4. IN IMPORTANT EQUIPMENT TENDER FOR COMPRESSORS AND DRIVERS DECISION (THOUGH NO ANNOUNCEMENT IS EXPECTED BEFORE MAY 1) NO ONE COMPANY CAN WIN ALL OF THIS APPROX. \$80 MILLION TENDER. PRESENT INFORMATION LEADS US TO BELIEVE THE FOLLOWING IS STATE OF PLAY. A) LARGE COMPRESSORS: INGERSOLL RAND AND DRESSER/CLARKE HAVE BEST CHANCE BUT DEMAG HAS MADE A LAST MINUTE OFFER ALLEGED TO BE VERY LOW IN PRICE. B) MEDIUM AND SMALL COMPRESSORS: COOPER BESSEMER NAME HEARD MOST OFTEN BUT SOLAR GIVEN CHANCE TO MAKE SOME SALES AS WELL (BOTH U.S.). C) GAS TURBINES: GE BELIEVED MOST LIKELY MAKE SALE BUT GIVEN THEIR PAST TRACK RECORD HERE ONE HESITATES TO MAKE FLAT ASSERTION. D) STEAM TURBINES: GE AND WORTHINGTON TURBODYNE MOST LIKELY CONTENDERS.

7. COMMENT: SINCE PROCESS TO SELECT CONTRACTORS ELIGIBLE TO BID WAS LENGTHY, WE FAIRLY CERTAIN MOST COMPANIES INVITED WILL BID. AS CAN BE SEEN BY FOREGOING U.S. FIRMS HAVE BY FAR THE BEST OPPORTUNITY TO WALK AWAY WITH LION'S SHARE OF EQUIPMENT AND CONSTRUCTION CONTRACTS. BECAUSE PROJECT HAS STRONG POTENTIAL TO INCREASE OUR EXPORTS TO KUWAIT AND SHOULD BRING MANY AMERICANS TO COUNTRY OVER NEXT SEVERAL YEARS, EMBASSY WILL CONTINUE TO CLOSELY MONITOR PROJECT. INTERESTING TO NOTE THAT WITH BECHTEL AND CHICAGO BRIDGE KGUP CONTRACTS AND RECENT LIMITED OFFICIAL USE

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FOSTER-WHEELER CONTRACT WITH KNPC, TOTAL MAJOR CONTRACTS WON IN RECENT WEEKS BY US FIRMS NOW TOTALS WELL OVER \$100 MILLION. STOLTZFUS

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## Message Attributes

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**Draft Date:** 29 APR 1975  
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